

McElvain Oil & Gas Properties, Inc.
1050 17th Street, Suite 710
Denver, CO 80265

September 23, 2002

Utah Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: APPLICATION FOR PERMIT TO DRILL
TUCKER FEDERAL 8-12
NW/SW, SEC. 8, T12S, R24E
UINTAH COUNTY, UTAH
LEASE NO.: UTU-70239
FEDERAL LANDS

Enclosed please find a copy of the Application for Permit to Drill and associated attachments for the referenced well.

Please address further communication regarding this matter (including approval) to:

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Phone: (435)789-4120
Fax: (435)789-1420

Sincerely,



Ed Trotter
Agent

McElvain Oil & Gas Properties, Inc.

Attachments

RECEIVED

SEP 27 2002

DIVISION OF
OIL, GAS AND MINING

001

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

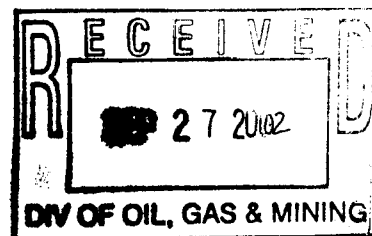
APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. Lease designation and serial number UTU-70239	
b. TYPE OF WELL Oil <input type="checkbox"/> Gas <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone <input type="checkbox"/> Well <input type="checkbox"/> Well <input type="checkbox"/> Other <input type="checkbox"/>		6. If Indian, Allottee or Tribe name	
2. Name of Operator McELVAIN OIL & GAS PROPERTIES, INC.		7. Unit Agreement Name	
3. Address and Telephone Number 1050 17TH ST., STE 710, DENVER, CO 80265 (303)893-0933		8. Farm or lease name, well no. TUCKER FEDERAL 8-12	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 2346' FSL & 778' FWL 4405535Y NW/SW 39.78863 648945X -109.26054 At proposed prod. Zone		9. API Well No. TUCKER FEDERAL 8-12	
14. Distance in miles and direction from nearest town or post office 63.93 MILES SOUTHEAST OF VERNAL, UTAH		10. Field and pool, or wildcat	
15. Distance from proposed location to nearest property or lease line, ft. 778' (Also to nearest drig. Unit line, if any)		11. Sec., T., R., M., or BLK. and survey or area SEC. 8, T12S, R24E	
16. No. of acres in lease		12. County or parish UINTAH	
17. No. of acres assigned to this well		13. State UTAH	
18. Distance from proposed location to nearest well, drilling, completed, or applied for, on this lease, ft.		19. Proposed depth 4226'	
20. Rotary or cable tools ROTARY		21. Elevations (show whether DF, RT, GR, etc.) 6249.2 FEET GRADED GROUND	
22. Approx. date work will start UPON APPROVAL		23. PROPOSED CASING AND CEMENTING PROGRAM	
24. SIZE OF HOLE		GRADE, SIZE OF CASING	
12 1/4"		9 5/8"	
7 7/8"		4 1/2"	
WEIGHT PER FOOT		SETTING DEPTH	
32.30#		200 - 220'	
11.6#		4226'	
QUANTITY OF CEMENT		SEE 8-POINT PLAN	
SEE 8-POINT PLAN		SEE 8-POINT PLAN	

SEE ATTACHMENTS FOR:

8 POINT PLAN
BOP SCHEMATIC
SURFACE USE AND OPERATING PLAN
LOCATION PLAT
LOCATION LAYOUT
TOPOGRAPHIC MAPS "A", "B", AND "C"
GAS SALES PIPELINE—MAP "D"

CONFIDENTIAL



McELVAIN OIL & GAS PROPERTIES, INC.
WILL BE THE DESIGNATED OPERATOR
OF THE SUBJECT WELL UNDER
NATIONWIDE BOND #RLB 000 4154

Pc: UTAH DIVISION OF OIL, GAS, AND MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Bradley G. Hill TITLE Agent DATE 9-23-2002

(This space for Federal or State office use)

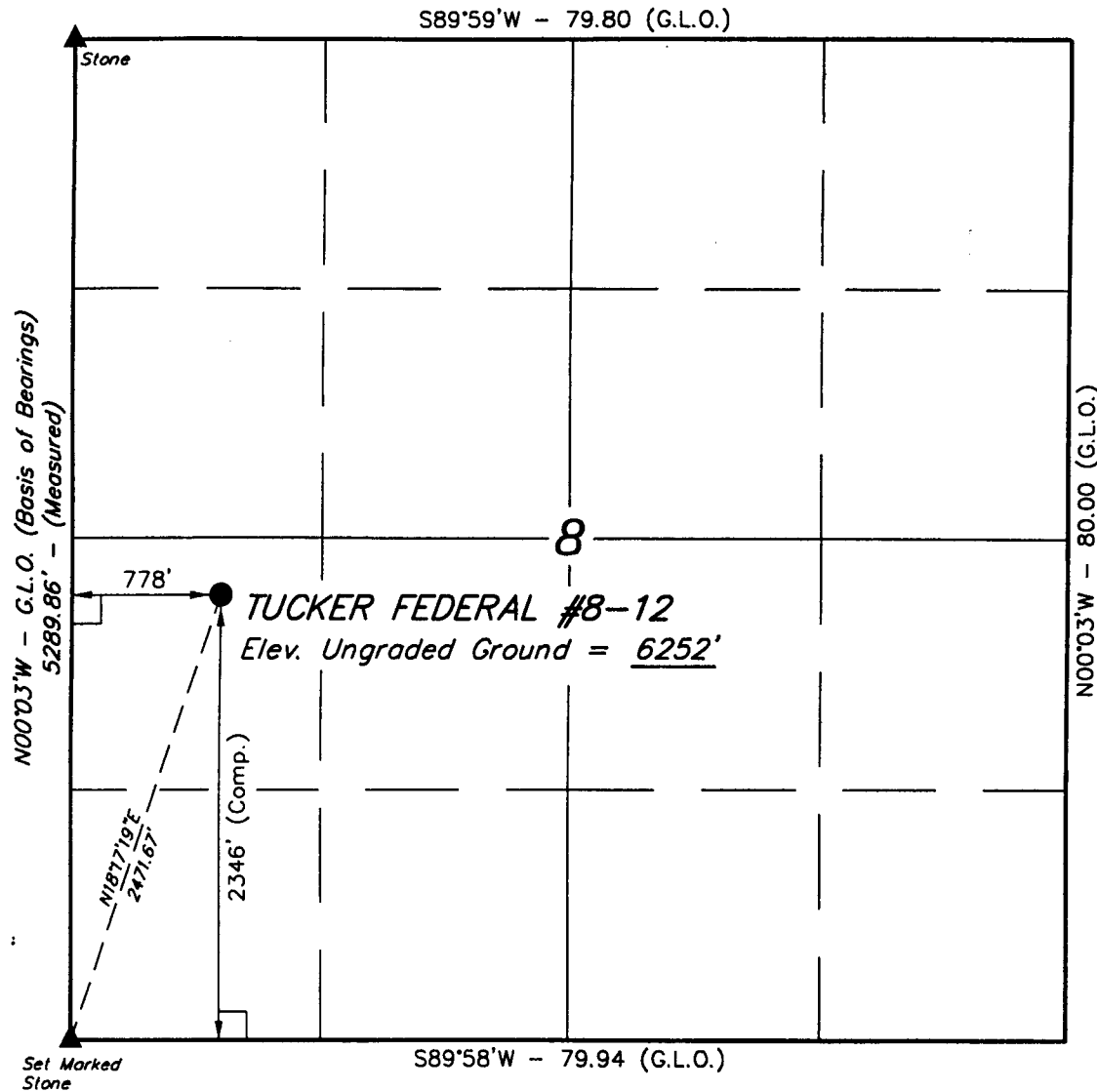
PERMIT NO. 43-047-34729 APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY

APPROVED BY Bradley G. Hill TITLE BRADLEY G. HILL DATE 10-17-02
ENVIRONMENTAL SCIENTIST III

T12S, R24E, S.L.B.&M.



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

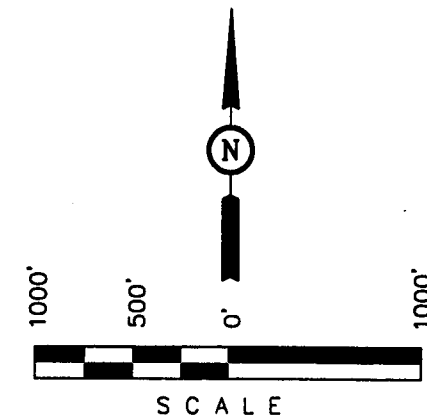
(AUTONOMOUS NAD 83)
 LATITUDE = 39°47'19.01" (39.788614)
 LONGITUDE = 109°15'40.44" (109.261233)

McELVAIN OIL & GAS PROP., INC.

Well location, TUCKER FEDERAL #8-12, located as shown in the NW 1/4 SW 1/4 of Section 8, T12S, R24E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 88 EAM LOCATED IN THE SW 1/4 OF SECTION 6, T12S, R24E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6066 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert H. Cox
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161318
 STATE OF UTAH

REVISED: 09-16-02 D.COX
 REVISED: 08-23-02 D.COX

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 07-03-02	DATE DRAWN: 07-03-02
PARTY J.F. A.F. K.K. G.O. D.COX	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE McELVAIN OIL & GAS PROP., INC.	

EIGHT POINT PLAN

TUCKER FEDERAL 8-12 NW/SW, SEC. 8, T12S, R24E, S.L.B.&M. UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	DEPTH	TYPE ZONES	MAXIMUM PRESSURE
Green River Oil Shale	476		
Uteland Butte Limestone	2476		
Wasatch	2576	GAS	1200 psi
Mesaverde	4176	GAS	2000 psi
EST. TD:	4226	Anticipated BHP	2000 PSI

3. PRESSURE CONTROL EQUIPMENT: BOP Schematic Diagram attached.

4. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>MINIMUM SAFETY FACTOR</u>		
							<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
12 ¼	0' - 220'	220'	9 5/8	32.3 #	H-40	ST&C	1370 PSI	2270 PSI	254,000#
7 7/8	0' - 4226'	4226'	4 ½	11.6 #	J-55	ST&C	4960 PSI	5300 PSI	154,000#

If conductor drive pipe is used, it will be left in place if its total length is less than 20 feet below the surface. If the total length of the drive pipe is equal to or greater than 20 feet, it will be pulled prior to cementing surface casing, or it will be cemented in place. The minimum diameter of the conductor drive pipe will be 13 3/8".

All casing will be new or inspected.

5. MUD PROGRAM

<u>INTERVAL</u>	<u>MUD TYPE</u>
0' - 220'	Air
240' - 1950'	Water
1950' - TD	Low Solids Non-disbursed mud w/ wt 9.0-9.7

Lost circulation probable from 1500' to 3000'+/-.

Sufficient mud inventory will be maintained on location during drilling to handle any adverse conditions that may arise.

6. VARIANCE REQUESTS:

- A. McElvain Oil & Gas Properties, Inc. requests a variance to regulations requiring a straight run blooie line (Where possible, a straight run blooie line will be used).

EIGHT POINT PLAN

TUCKER FEDERAL 8-12
NW/SW, SEC. 8, T12S, R24E, S.L.B.&M.
UINTAH COUNTY, UTAH

- B. McElvain Oil & Gas Properties, Inc. requests a variance to regulations requiring an automatic ignitor or continuous pilot light on the blooie line. (Not required on aerated water system).
- C. McElvain Oil & Gas Properties, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be 75' in length.

7. EVALUATION PROGRAM:

Logs: Open Hole logs: Dual Induction & Density/Neutron

Cores: None Programmed

DST: None Programmed

Completion: To be submitted at a later date.

Note: If hole conditions prevent the running of open hole logs, a cased hole Dipole Sonic/Neutron/Gr will be run in lieu of open hole logs.

8. CEMENT PROGRAM:

<u>STRING</u>	<u>SLURRY</u>	<u>CMT. FILL</u>	<u>CMT. TYPE</u>	<u>SACKS</u>	<u>EXCESS WEIGHT</u>	<u>YEILD</u>
SURFACE	LEAD	220'	Premium-AG	180	15.80 ppg	1.16 cu ft/sx
PROD.	TAIL	1500'	Hi-Fill	145	11.0 ppg	3.85 cu ft/ sx
	LEAD	1000'	Premium-AG	265	14.80 ppg	1.45 cu ft/ sx

Stage Collar @ 2,500'.

9. ABNORMAL CONDITIONS:

None anticipated.

10. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

EIGHT POINT PLAN
TUCKER FEDERAL 8-12
NW/SW, SEC. 8, T12S, R24E, S.L.B.&M.
UINTAH COUNTY, UTAH

11. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

(Attachment: BOP Schematic Diagram)

3000 PSIG DIAGRAM

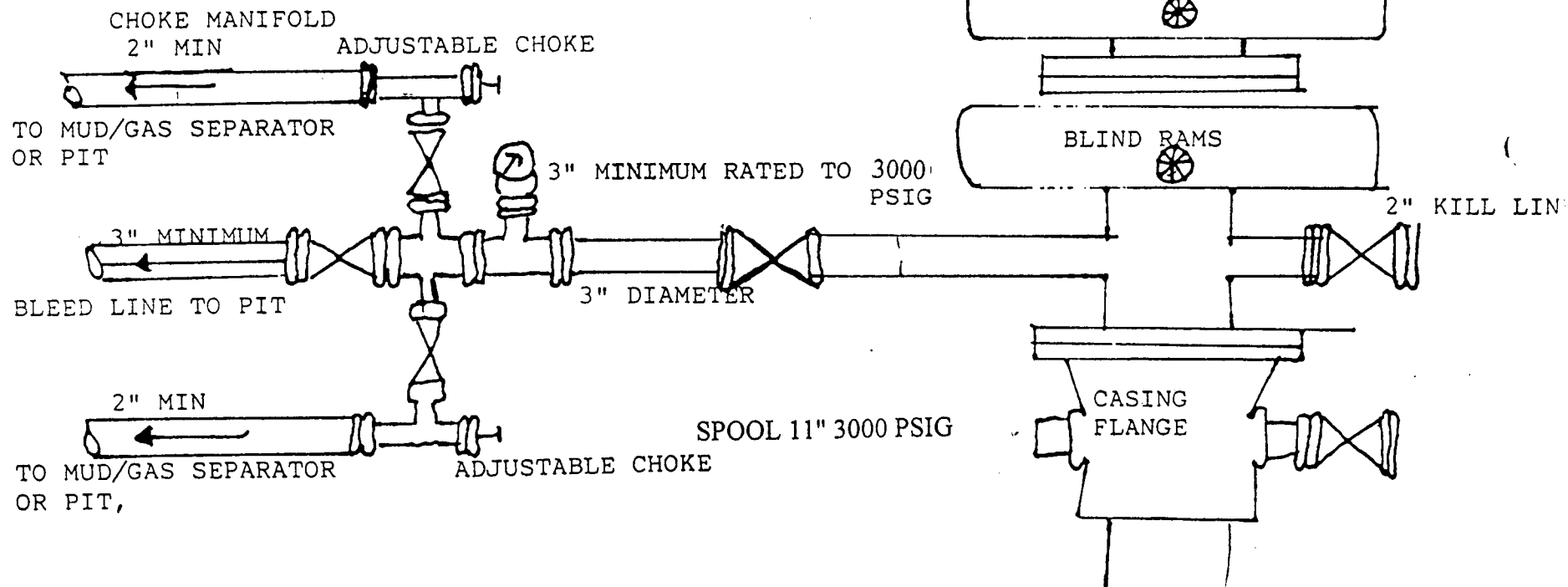
ANNULAR PREVENTOR AND BOTH RAMS ARE 3000 RATED.

CASING FLANGE IS 11" 3000 PSIG RATED.

BOPE 11" 3000 PSIG

TESTING PROCEDURE:

1. BOPE 's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 3000 psig
3. Annular preventor will be tested to 50% of working pressure, 1500 psig
4. Casing will be tested to 0.22 psi/ft. or 1500 psig. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be pressure tested to the same pressure as blind & pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 3000 psig BOPE specifications.



**CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL**

Company/Operator:	<u>McElvain Oil & Gas Properties, Inc.</u>
Well Name & Number:	<u>Tucker Federal 8-12</u>
Lease Number:	<u>UTU-70239</u>
Location:	<u>2346' FSL & 778' FWL, NW/SW, Sec. 8,</u> <u>T12S, R24E, S.L.B.&M., Uintah County, Utah</u>
Surface Ownership:	<u>Federal</u>

NOTIFICATION REQUIREMENTS

Location Construction - forty-eight (48) hours prior to construction of location and access roads.

Location Completion - prior to moving on the drilling rig.

Spud Notice: - at least twenty-four (24) hours prior to spudding the well.

Casing String and Cementing - twenty-four (24) hours prior to running casing and cementing all casing strings.

BOP and related Equipment Tests - twenty-four (24) hours prior to running casing and tests.

First Production Notice - within five (5) business days after new Well begins or production resumes after Well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 63.93 miles southeast of Vernal, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be approximately 150 feet in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

New or reconstructed roads will be centerlined - flagged at time of location staking.

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of-Way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

As operator, McElvain Oil & Gas Properties, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

3. **LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION**

A. Producing wells - 9*

(*See attached TOPO map "C" for location)

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

A. **ON WELL PAD**

1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, 300 Bbl vertical, condensate tank, and attaching piping.
2. Gas gathering lines - A 3" gathering line will be buried from dehy to the edge of the location.

B. **OFF WELL PAD**

1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
2. A 3" OD steel above ground natural gas pipeline will be laid approximately 1650' from proposed location to a point in the SE/NE of Section 7, T12S, R24E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses Federal lands, thus a Right-of-Way grant will be required.
3. Proposed pipeline will be a 3" OD steel, welded line laid on the surface.
4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery.

The production facilities will be placed on the South side of the location.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

The required paint color is Olive Black.

If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from N. 400 feet W 1700 feet from SE corner, Section 13, T11S, R23E, S.L.B.M., Water Right Number 49-1547.
- B. Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.
- B. All construction material will come from Federal Land.
- C. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
 - 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
 - 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
 - 4. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

On BLM administered land:

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined.

8. ANCILLARY FACILITIES

- A. No airstrips or camps are planned for this well.

9. WELLSITE LAYOUT

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.
- D. The approved seed mixture for this location is:
- 3 pounds Fourwing Saltbush per acre
 - 3 pounds Indian Rice Grass per acre
 - 5 pounds Needle and Thread Grass per acre
 - 1 pound Scarlet Globe Mallow per acre.

The reserve pit will be located on the North side of the location. The flare pit will be located downwind of the prevailing wind direction on the East side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled pit topsoil will be stored separate from the location topsoil between Corners C and 6. The stockpiled location topsoil will be stored along the West side. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture for this location and then walked down with a cat.

Access to the well pad will be from the North.

Corners #2 & #8 will be rounded off to minimize excavation.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).

- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is to be regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently mounted on concrete bases. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

B. DRY HOLE/ABANDONED LOCATION

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriate surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP

Access road: Federal

Location: Federal

12. OTHER INFORMATION

- A. McElvain Oil & Gas Properties, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform the operator as to:

-whether the materials appear eligible for the National Register of Historic Places;

-the mitigation measures the operator will likely have to undertake before the site can be used.

-a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator, McElvain Oil & Gas Properties, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

- C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

Additional Surface Stipulations

There will be no Drilling or Construction activities allowed between November 15 and April 15 due to crucial deer winter range stipulations.

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

OPERATIONS

McElvain Oil & Gas Properties, Inc.
1050 17th Street, Suite 710
Denver, CO 80265
John Steuble
Telephone (303)893-0933

PERMITTING

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Telephone: (435)789-4120
Fax: (435)789-1420

All lease or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approval plan of operations, and any applicable Notice to Lessees. McElvain Oil & Gas Properties, Inc. is fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that presently exist; that the statements made in the Plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by McElvain Oil & Gas Properties, Inc. and its contractors and subcontractors in conformity with this Plan and the terms and conditions under which it is approved.

Date

9-23-2002

Agent

Ed Trotter

McELVAIN OIL & GAS PROP., INC.
TUCKER FEDERAL #8-12
LOCATED IN UINTAH COUNTY, UTAH
SECTION 8, T12S, R24E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

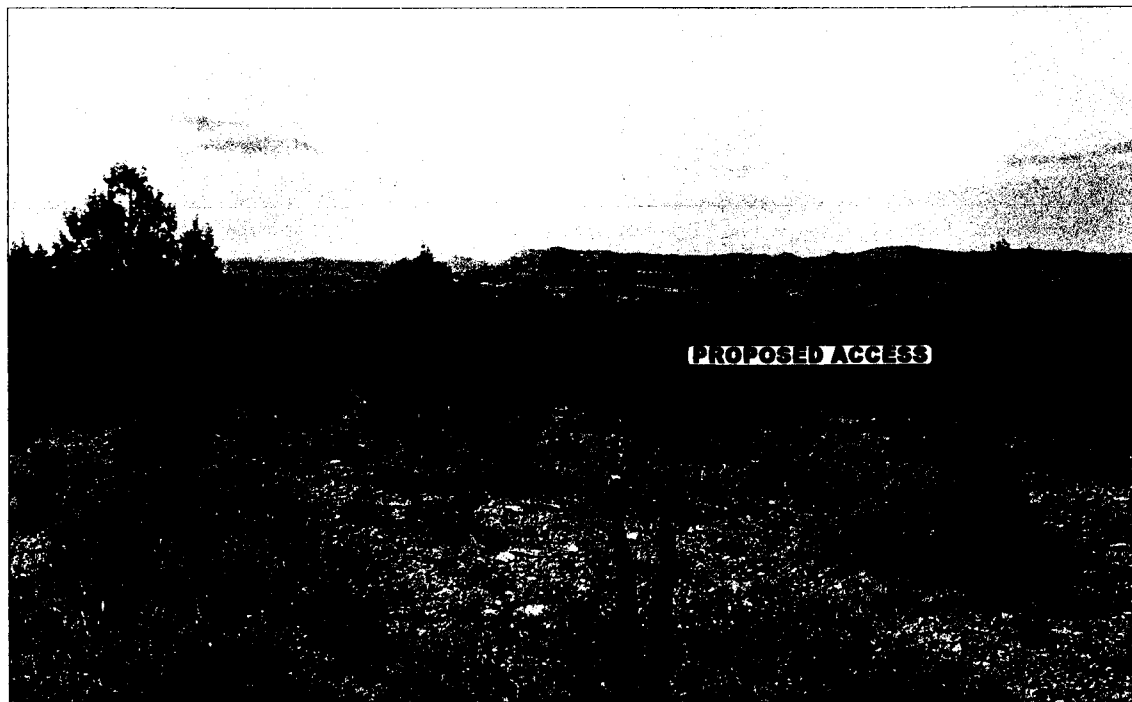


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

7
MONTH

9
DAY

02
YEAR

PHOTO

TAKEN BY: J.F.

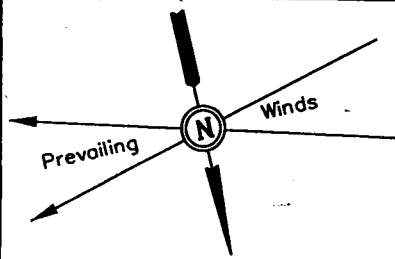
DRAWN BY: P.M.

REVISED: 9-16-02

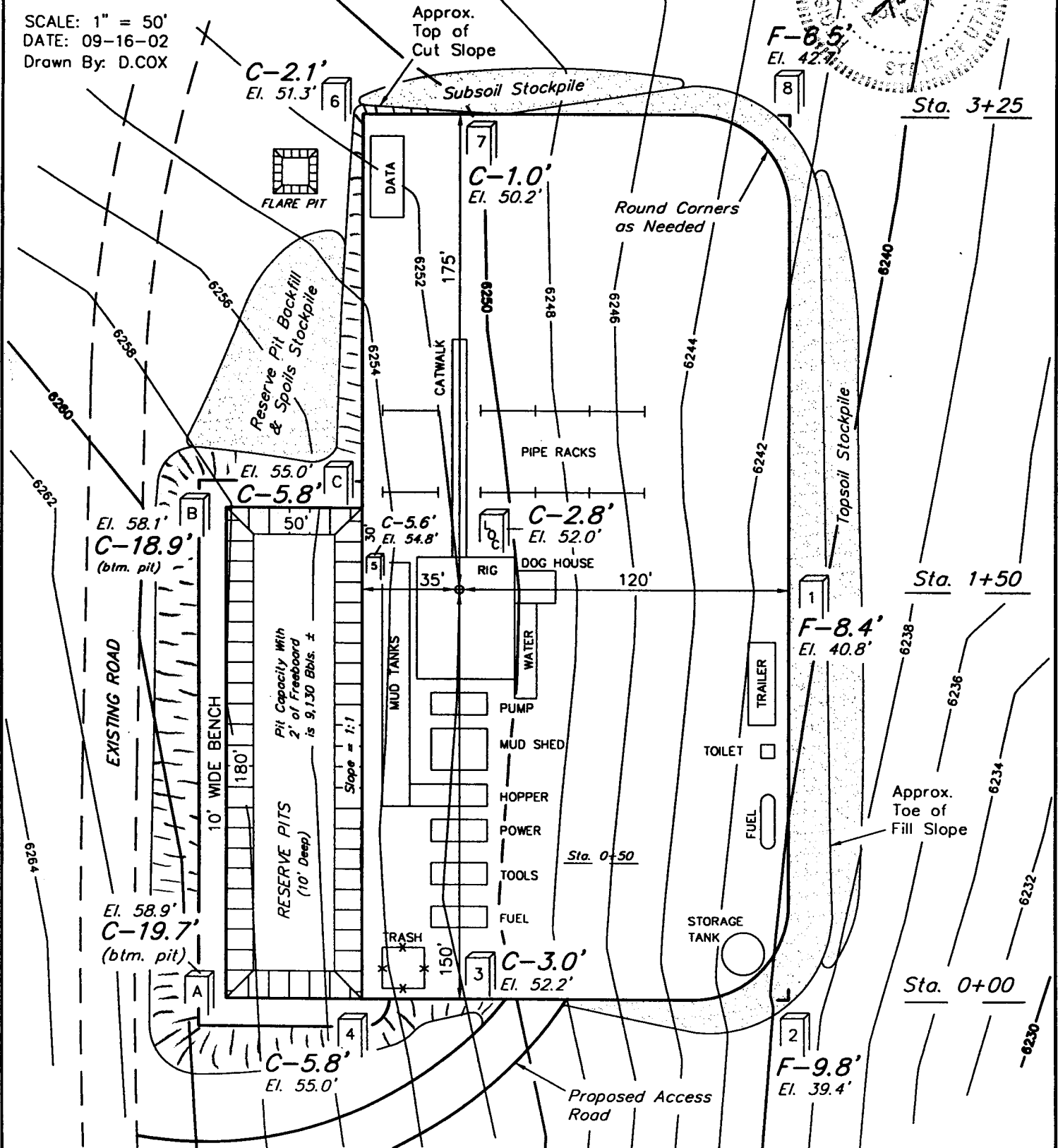
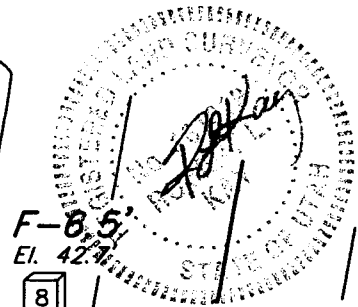
McELVAIN OIL & GAS PROP., INC.

LOCATION LAYOUT FOR

TUCKER FEDERAL #8-12
SECTION 8, T12S, R24E, S.L.B.&M.
2346' FSL 778' FWL



SCALE: 1" = 50'
DATE: 09-16-02
Drawn By: D.COX



Elev. Ungraded Ground at Location Stake = 6252.0'
Elev. Graded Ground at Location Stake = 6249.2'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

McELVAIN OIL & GAS PROP., INC.

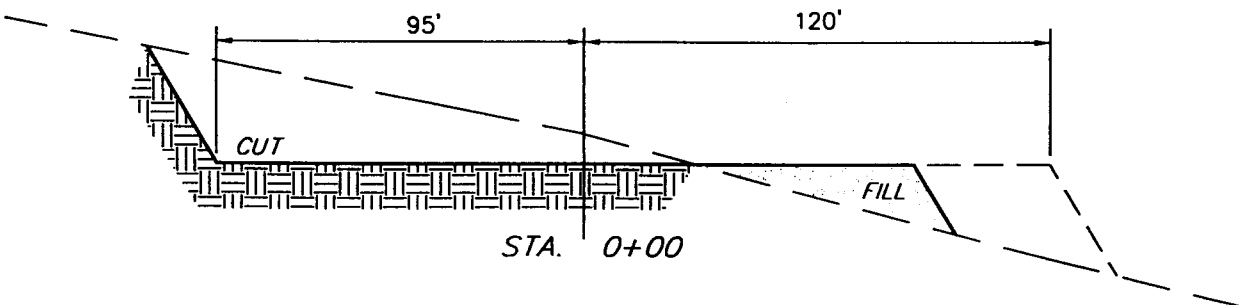
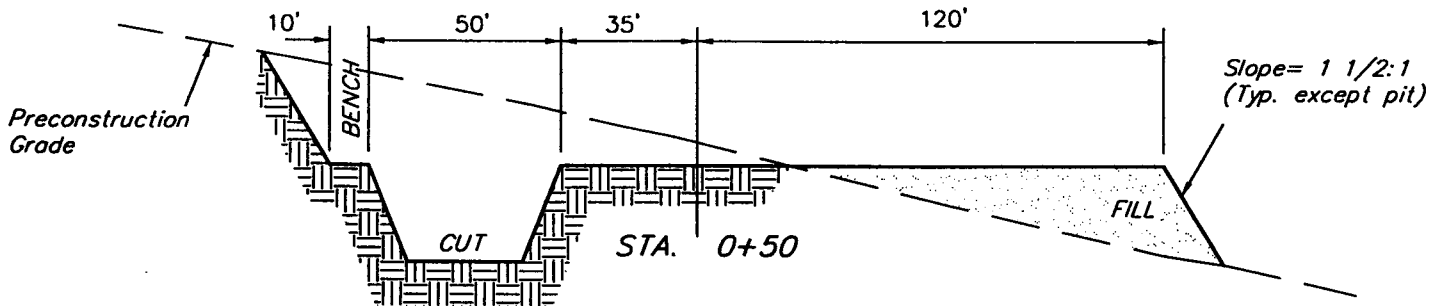
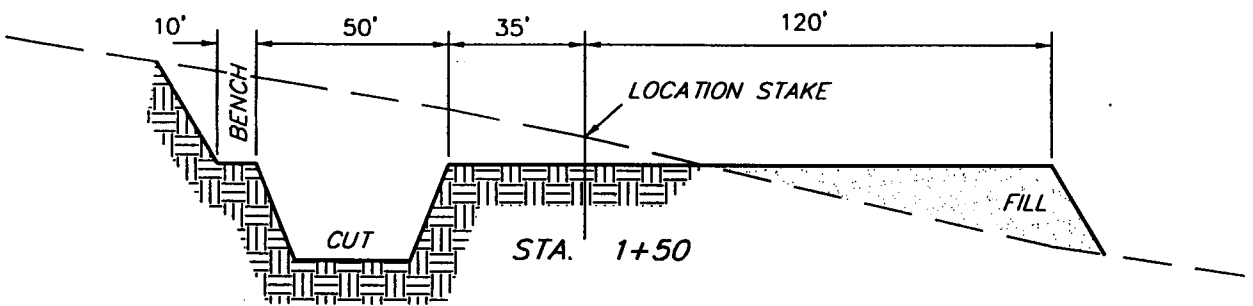
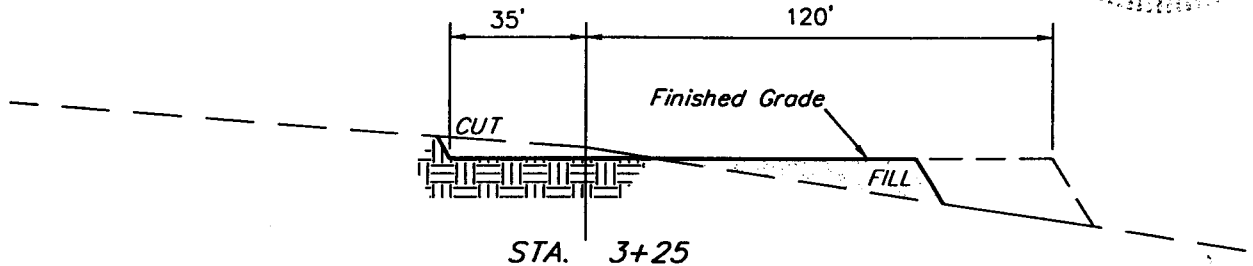
TYPICAL CROSS SECTIONS FOR

TUCKER FEDERAL #8-12
SECTION 8, T12S, R24E, S.L.B.&M.
2346' FSL 778' FWL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 09-16-02

Drawn By: D.COX



APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping = 1,160 Cu. Yds.

Remaining Location = 7,970 Cu. Yds.

TOTAL CUT = 9,130 CU.YDS.

FILL = 6,370 CU.YDS.

EXCESS MATERIAL AFTER

5% COMPACTION = 2,420 Cu. Yds.

Topsoil & Pit Backfill = 2,420 Cu. Yds.

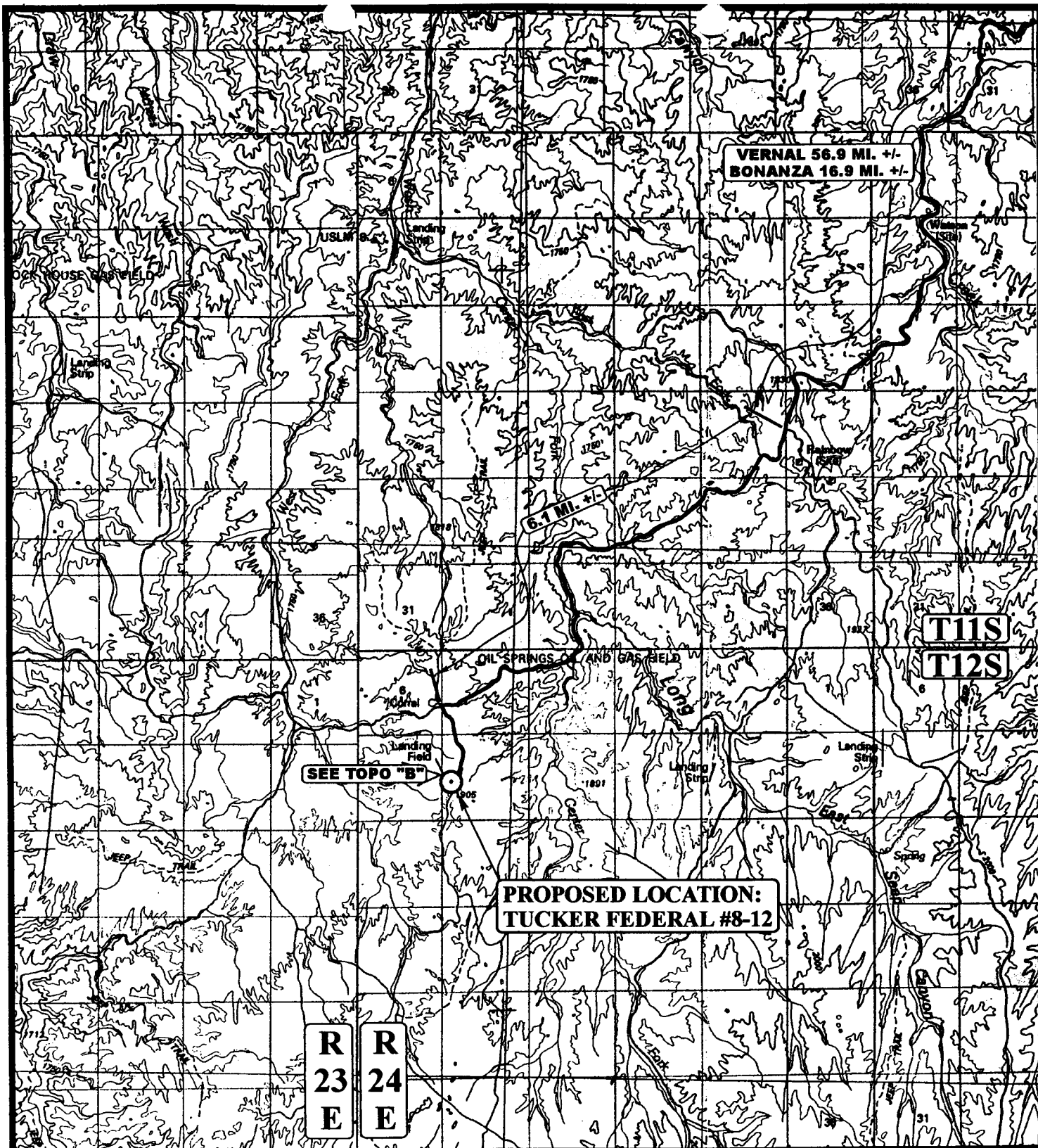
(1/2 Pit Vol.)

EXCESS UNBALANCE = 0 Cu. Yds.

(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017



LEGEND:

○ PROPOSED LOCATION



McELVAIN OIL & GAS PROP., INC.

TUCKER FEDERAL #8-12
SECTION 8, T12S, R24E, S.L.B.&M.
2346' FSL 778' FWL



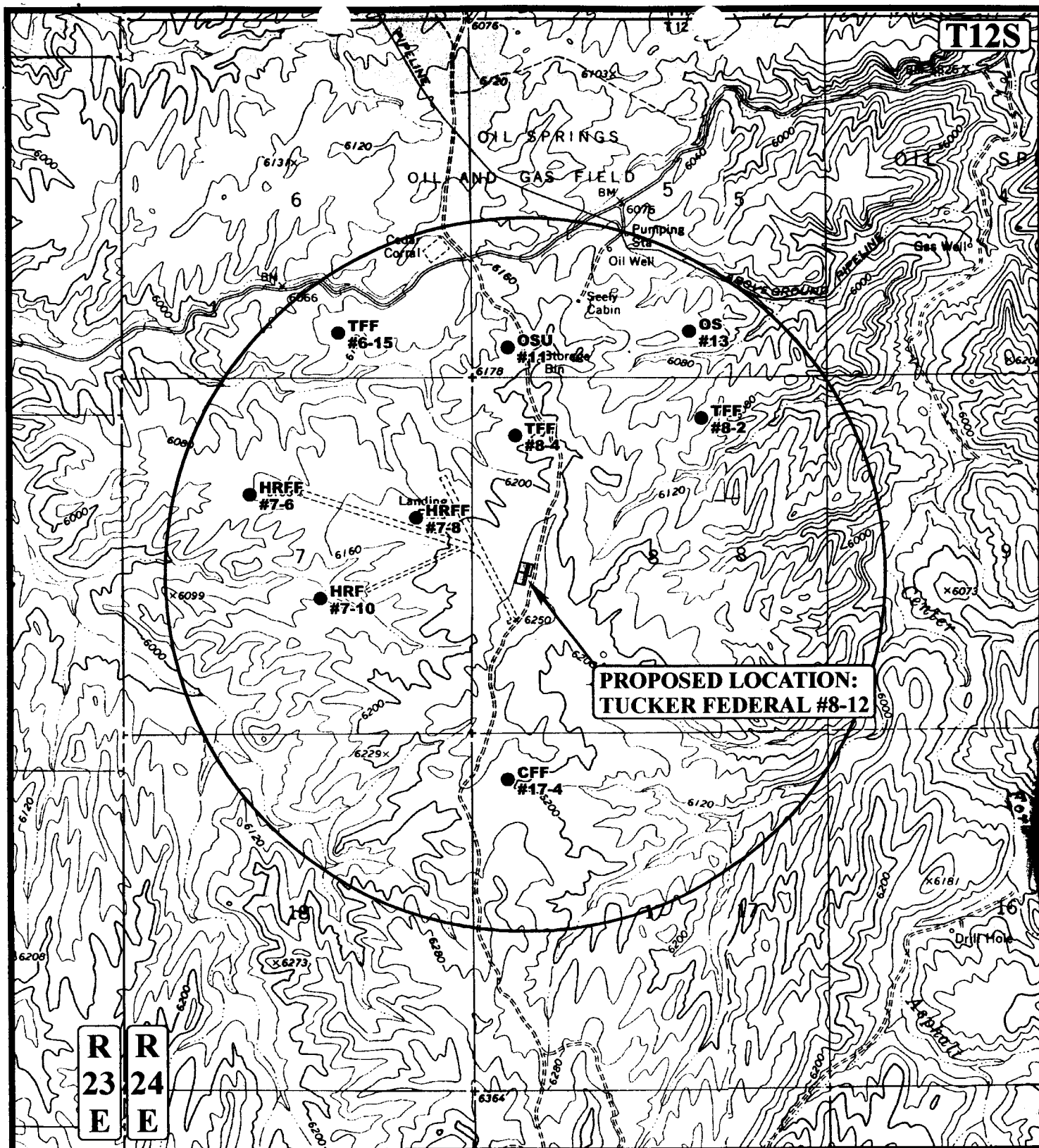
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

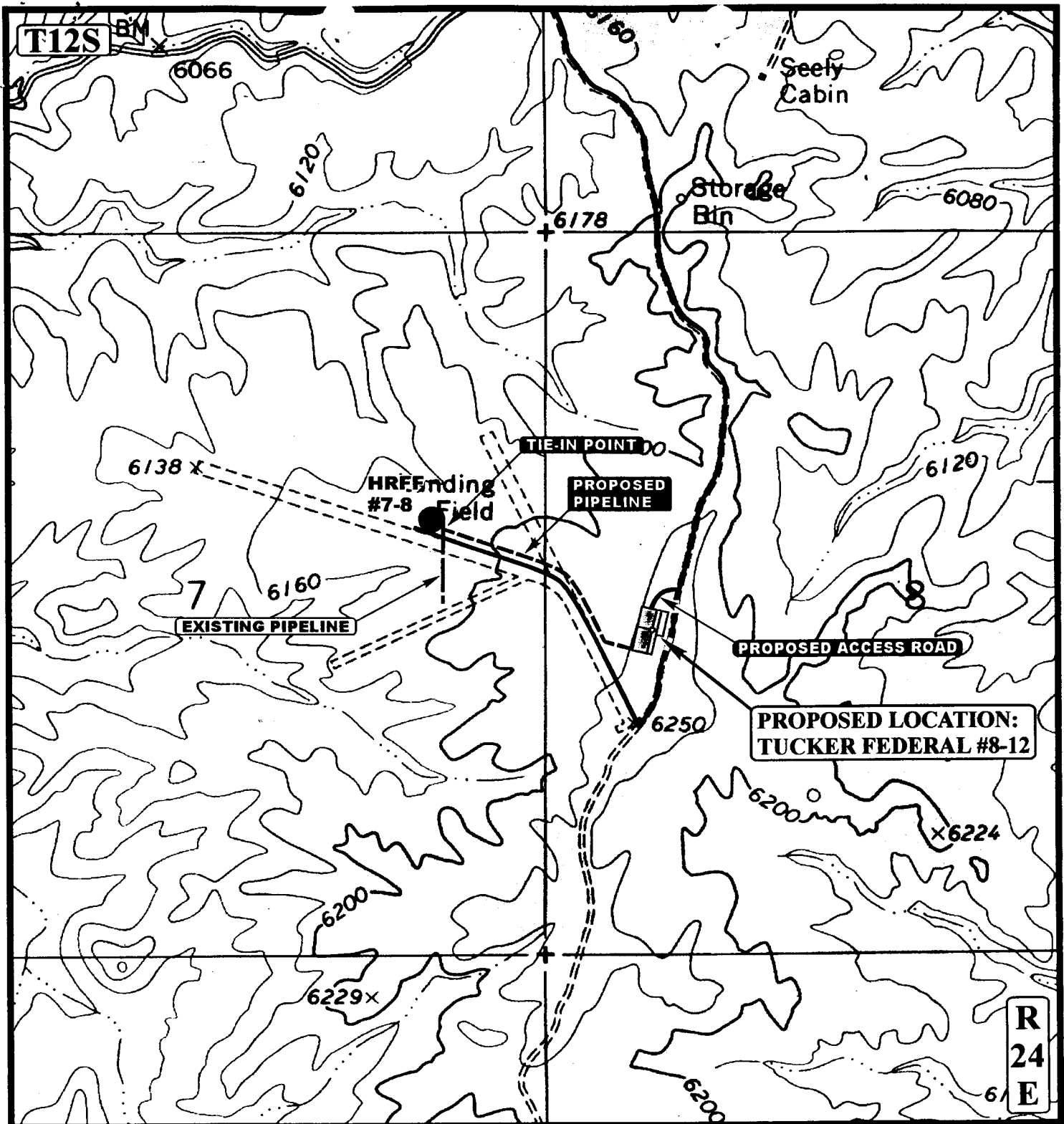
TOPOGRAPHIC
MAP

7 9 02
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 9-16-02







APPROXIMATE TOTAL PIPELINE DISTANCE = 1,650' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE



McELVAIN OIL & GAS PROP., INC.

TUCKER FEDERAL #8-12
SECTION 8, T12S, R24E, S.L.B.&M.
2346' FSL 778' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

7 9 02
 MONTH DAY YEAR

SCALE: 1" = 1000' **DRAWN BY: P.M.** **REVISED: 9-16-02**



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/27/2002

API NO. ASSIGNED: 43-047-34729

WELL NAME: TUCKER FED 8-12

OPERATOR: MCELVAIN OIL & GAS (N2100)

CONTACT: ED TROTTER

PHONE NUMBER: 303-893-0933

PROPOSED LOCATION:

NWSW 08 120S 240E

SURFACE: 2346 FSL 0778 FWL

BOTTOM: 2346 FSL 0778 FWL

UINTAH

OIL SPRINGS (635)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-70239

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.78863

LONGITUDE: 109.26054

RECEIVED AND/OR REVIEWED:

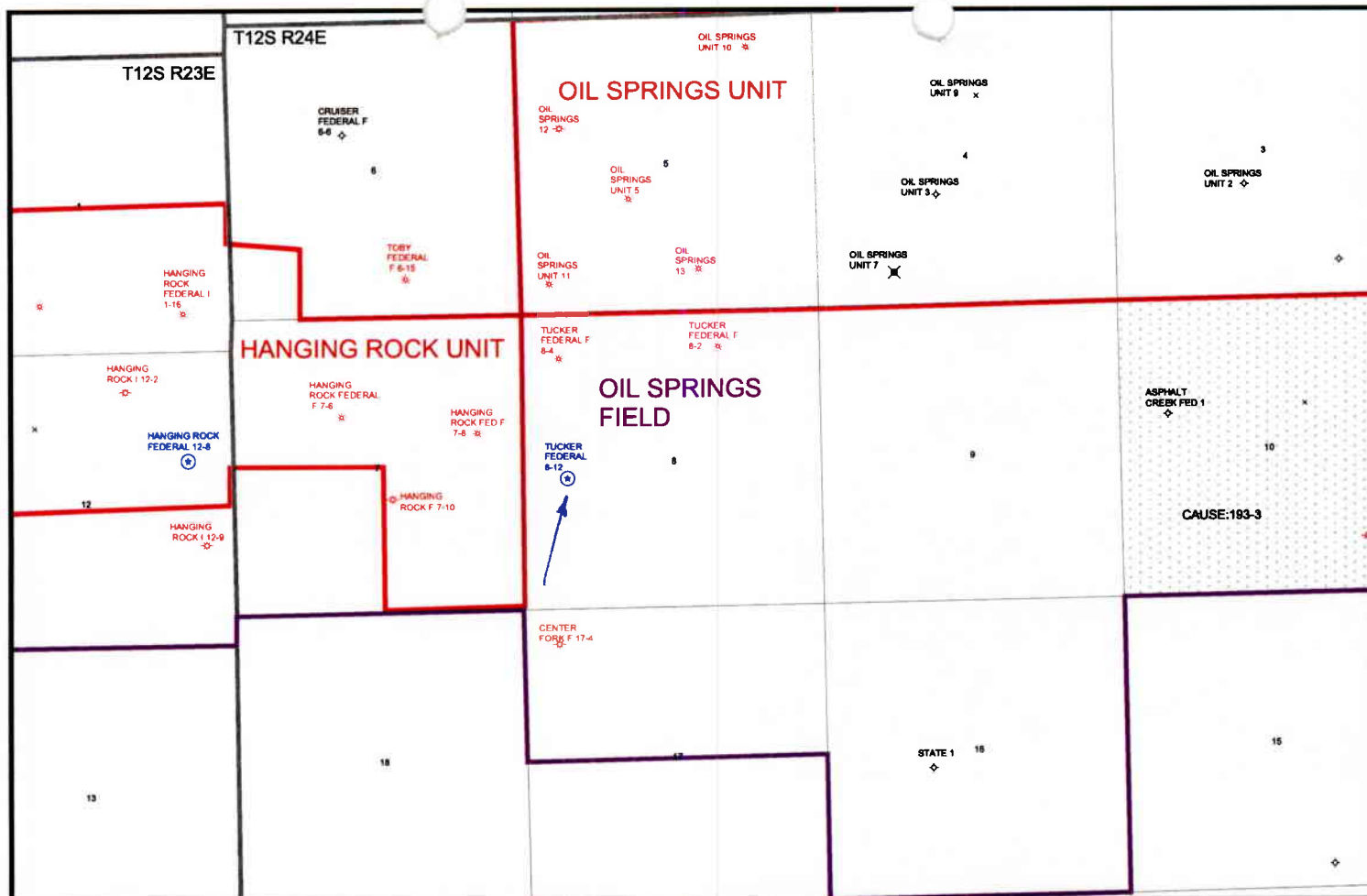
- ☒ Plat
- ☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. RLB 000 4154)
- N Potash (Y/N)
- N Oil Shale 190-5 (B) or 190-3 or 190-13
- ☒ Water Permit
(No. 49-1547)
- N RDCC Review (Y/N)
(Date: _____)
- NR Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- ____ R649-2-3.
- Unit _____
- ____ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- ☒ R649-3-3. **Exception**
- ____ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- ____ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Federal Approval
2- Spacing Strip



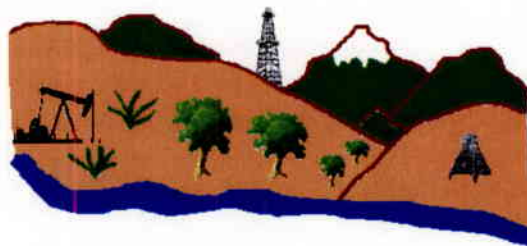
OPERATOR: McELVAIN O&G PROP (N2100)

SEC. 8 T12S R24E

FIELD: OIL SPRINGS (635)

COUNTY: UINTAH

SPACING: R649-3-3 / EX LOCATION



Utah Oil Gas and Mining

Well Status

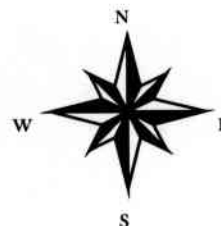
- ⚡ GAS INJECTION
- ⊛ GAS STORAGE
- × LOCATION ABANDONED
- ⊙ NEW LOCATION
- ⬢ PLUGGED & ABANDONED
- ⊛ PRODUCING GAS
- PRODUCING OIL
- ⊛ SHUT-IN GAS
- ⊛ SHUT-IN OIL
- × TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- ⬢ WATER SUPPLY
- ⬢ WATER DISPOSAL

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED
- Section Lines
- Township Lines
- County Boundaries



PREPARED BY: DIANA MASON
DATE: 1-OCTOBER-2002

FAX COVER SHEET

FROM: ED TROTTER

FAX NO. 435-789-1420

TELEPHONE NO. 435-789-4120

TO: UDOG & M

FAX NO. 801-359-3940

ATTENTION: Diana Mayson

DATE: 10-16-2002

TOTAL NUMBER OF PAGES INCLUDING COVER PAGE: 3

All information contained in this facsimile is confidential and is solely directed to the above named recipient. If you receive this fax in error, or there is a problem with the transmission, please call: 1-435-789-4120. Thank you.

Diana,

Attached is a copy of the Exception Well Location for the McElvain Oil & Gas Properties, Inc.
Tucker Federal #8-12.

RECEIVED

OCT 16 2002

DIVISION OF
OIL, GAS AND MINING

October 16, 2002

State of Utah
Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801
Attn: Diana Mayson

RE: Application for Exception Well Location
TUCKER FEDERAL #8-12
SEC. 08, NW/SW, T12S, R24E
LEASE NO. U-70239
UINTAH COUNTY, UTAH

Dear Ms. Mayson,

McElvain Oil & Gas Properties, Inc. (McElvain) respectfully requests administrative approval per R-649-3-3 to drill the Tucker Federal 8-12, a 4,226' Mesa Verde test, at a location 2,346' FSL & 778' FWL, NW/SW, Sec. 8, T12S, R24E, S.L.B. & M., Uintah County, Utah.

The aforementioned footage is not a location at which a well could be drilled in compliance with the spacing order of this lease, which established 40 acre drilling units.

However the area (section 8 specifically) has been designated and is being managed as crucial deer winter range and the location has been moved out of the sagebrush and into the pinions to avoid impacting the sage, which is considered deer winter forage. This request by the Bureau of Land Management necessitates placing the well at the exceptionally spaced location.

McElvain 100% of the operating rights underlying the subject-drilling unit, as well as drilling units within a 460' radius of the exceptionally spaced location.

McElvain respectfully requests the Division of Oil, Gas and Mining administratively grant its application for the exceptional well location at its earliest opportunity.

Please direct further correspondence and approval to me at: P.O. Box 1910, Vernal, UT 84078, or phone me at (435)789-4120. My e-mail address is utahed@casilink.com.

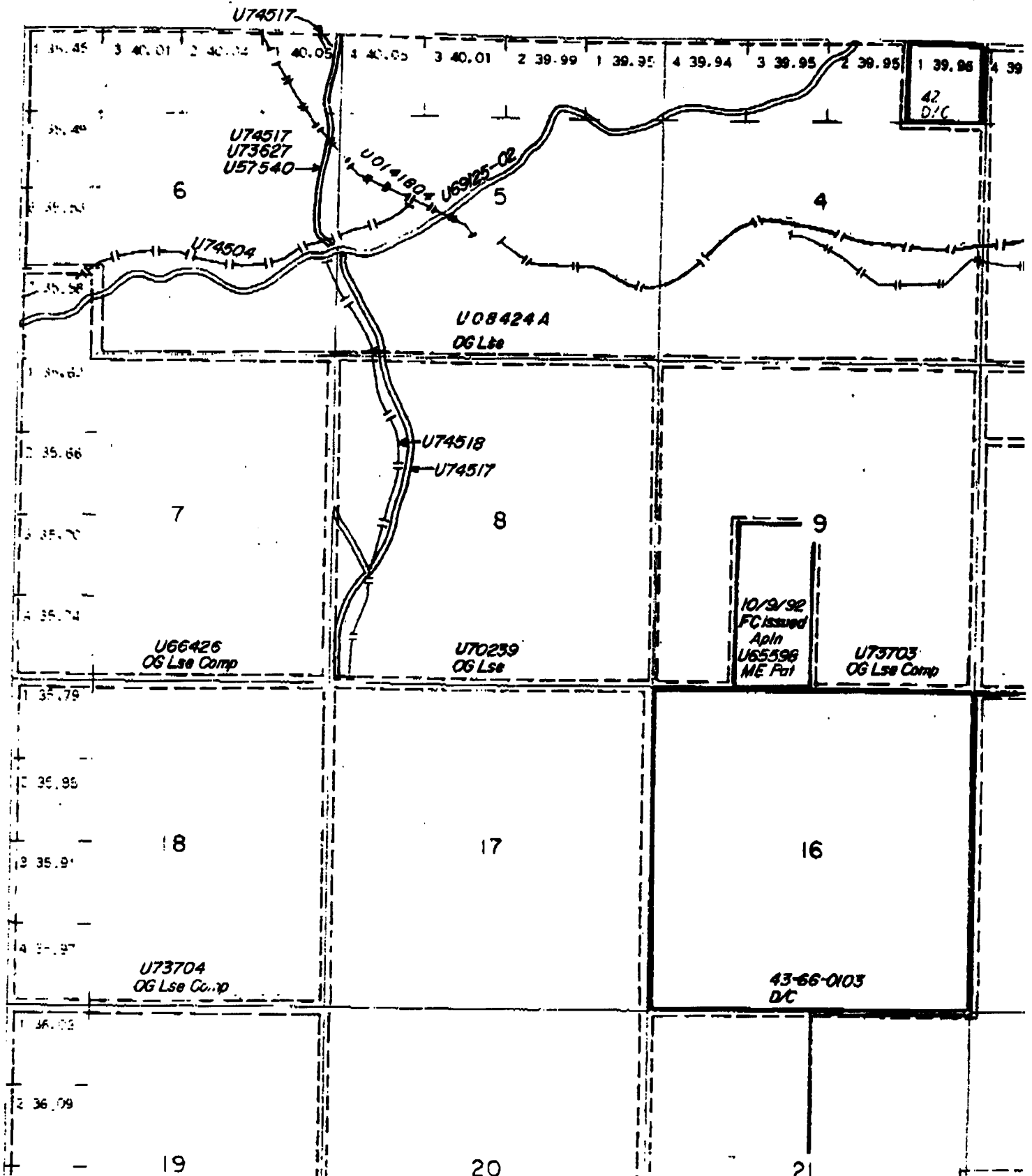
Thank you for your attention to this matter.

Sincerely,



Ed Trotter, Agent
McElvain Oil & Gas Properties, Inc.

TOWNSHIP 12 SOUTH RAIL
 Range 24 East
 VERNAL DISTRICT
 UTAH



October 16, 2002

State of Utah
Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801
Attn: Diana Mayson

RE: Application for Exception Well Location
TUCKER FEDERAL #8-12
SEC. 08, NW/SW, T12S, R24E
LEASE NO. U-70239
UINTAH COUNTY, UTAH

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Thank you for your attention to this matter.

Sincerely,



Ed Trotter, Agent
McElvain Oil & Gas Properties, Inc.

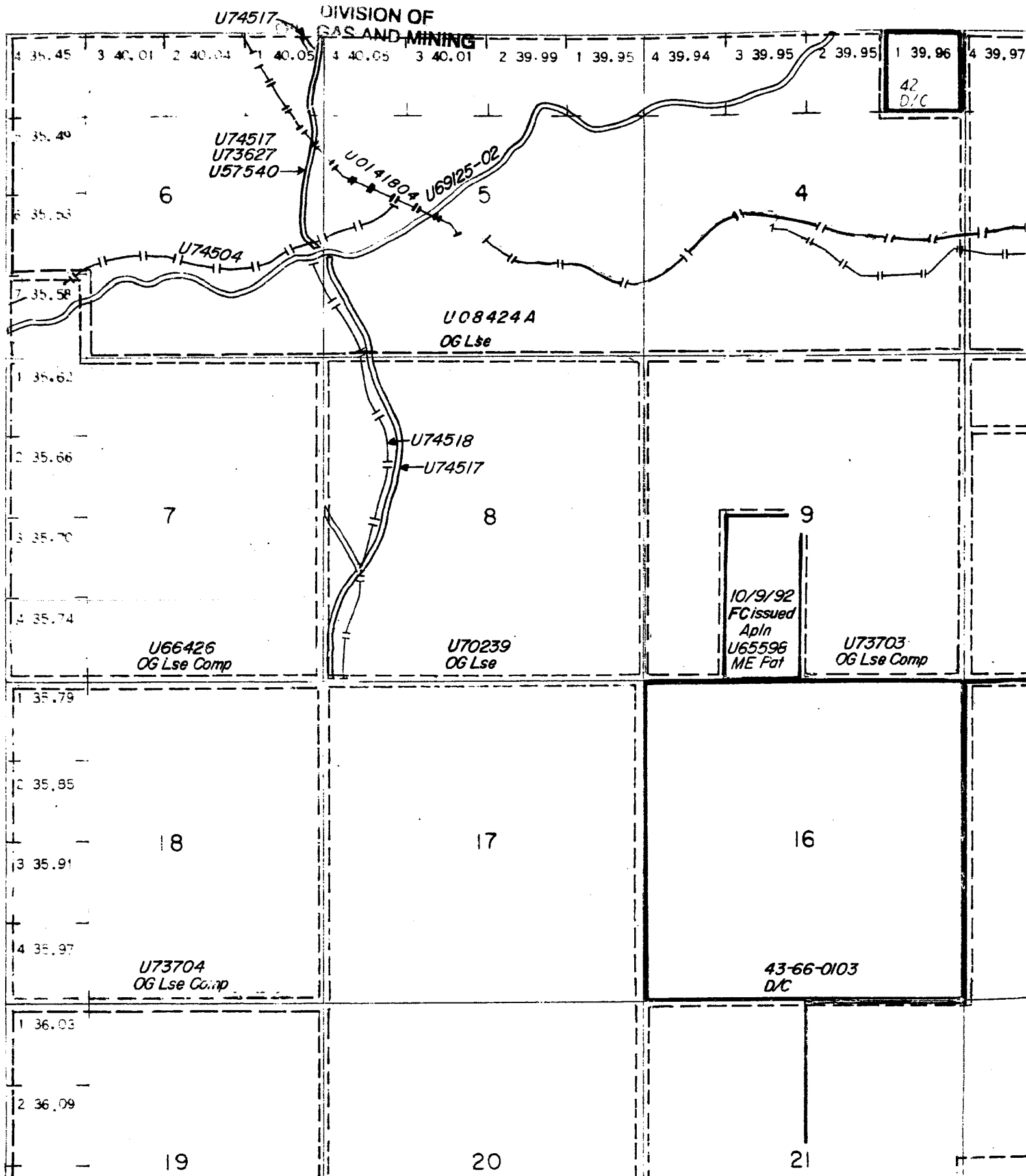
RECEIVED
OCT 17 2002
DIVISION OF
OIL, GAS AND MINING

RECEIVED *Range 24 East*

VERNAL DISTRICT

UINTAH COUNTY

OCT 17 2002





State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

October 17, 2002

McElvain Oil & Gas Properties, Inc.
1050 17th St., Suite 710
Denver, CO 80265

Re: Tucker Federal 8-12 Well, 2346' FSL, 778' FWL, NW SW, Sec. 8, T. 12 South,
R. 24 East, Uintah County, Utah


Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34729.

Sincerely,



John R. Baza
Associate Director

pb

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: McElvain Oil & Gas Properties, Inc.
Well Name & Number Tucker Federal 8-12
API Number: 43-047-34729
Lease: UTU-70239

Location: NW SW **Sec.** 8 **T.** 12 South **R.** 24 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

UNITED STATES
DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

McELVAIN OIL & GAS PROPERTIES, INC.

3. Address and Telephone No.

(303)893-0933

1050 17TH ST., STE 710, DENVER, CO 80265

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**2346' FSL, 778' FWL, NW/SW
SECTION 8, T12S, R24E, S.L.B.&M.**

5. Lease Serial No.

UTU-70239

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

CONFIDENTIAL

8. Well Name and No.

TUCKER FEDERAL 8-12

9. API Well No.

43-042-34239

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UTAH

12 CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

- ☒ NOTICE OF INTENT
☐ SUBSEQUENT REPORT
☐ FINAL ABANDONMENT NOTICE

- ☐ Acidize
☒ Alter Casing
☐ Casing Repair
☐ Change Plans
☐ Convert to Injection
☐ Deepen

- ☐ Fracture Treat
☐ New Construction
☐ Plug and Abandon
☐ Plug Back
☐ Production (Start/Resume)
☐ Reclamation

- ☐ Recomplete
☐ Temporarily Abandon
☐ Water Disposal
☐ Water Shut-Off
☐ Well Integrity
☐ Other

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a form 3160-4 shall be filed once testing is completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

McElvain Oil & Gas Properties, Inc. requests permission to run 500 feet of 9 5/8" surface casing and cement with 360 sacks of Premium-AG cement.

RECEIVED

OCT 22 2002

**DIVISION OF
OIL, GAS AND MINING**

COPY SENT TO OPERATOR
DATE: 10-28-02
BY: CHO

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **Ed Trotter**

Signature

Ed Trotter

Title

Agent

Date

10/21/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

TITLE

DATE

Conditions of approval, if any, are attached. Approval of this notice

Office

does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

008

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. Lease designation and serial number UTU-70239	
b. TYPE OF WELL Oil <input type="checkbox"/> Gas <input type="checkbox"/> Well <input type="checkbox"/> Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone <input type="checkbox"/>		6. If Indian, Allottee or Tribe name	
2. Name of Operator McELVAIN OIL & GAS PROPERTIES, INC.		7. Unit Agreement Name	
3. Address and Telephone Number 1050 17TH ST., STE 710, DENVER, CO 80265 (303)893-0933		8. Farm or lease name, well no. TUCKER FEDERAL 8-12	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 2346' FSL & 778' FWL NW/SW		9. API Well No. TUCKER FEDERAL 8-12	
11. Sec., T., R., M., or BLK. and survey or area SEC. 8, T12S, R24E		10. Field and pool, or wildcat	
12. Distance in miles and direction from nearest town or post office 63.93 MILES SOUTHEAST OF VERNAL, UTAH		13. State UTAH	
14. Distance from proposed location to nearest property or lease line, ft. 778' (Also to nearest drig. Unit line, if any)		15. No. of acres in lease	
16. Distance from proposed location to nearest well, drilling, completed, or applied for, on this lease, ft.		17. No. of acres assigned to this well	
18. Elevations (show whether DF, RT, GR, etc.) 6249.2 FEET GRADED GROUND		19. Proposed depth 4226'	
20. Rotary or cable tools ROTARY		21. Approx. date work will start UPON APPROVAL	
22. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12 1/4"	9 5/8"	32.30#	200 - 220'
7 7/8"	4 1/2"	11.6#	4226'
QUANTITY OF CEMENT			
SEE 8-POINT PLAN			
SEE 8-POINT PLAN			

SEE ATTACHMENTS FOR:

8 POINT PLAN
BOP SCHEMATIC
SURFACE USE AND OPERATING PLAN
LOCATION PLAT
LOCATION LAYOUT
TOPOGRAPHIC MAPS "A", "B", AND "C"
GAS SALES PIPELINE—MAP "D"

CONFIDENTIAL

McELVAIN OIL & GAS PROPERTIES, INC.
WILL BE THE DESIGNATED OPERATOR
OF THE SUBJECT WELL UNDER
NATIONWIDE BOND #RLB 000 4154

PC: UTAH DIVISION OF OIL, GAS, AND MINING

RECEIVED
NOV 01 2002

DIV. OF OIL, GAS & MINING
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Agent DATE 9-23-2002

(This space for Federal or State office use)

NOTICE OF APPROVAL

PERMIT NO. _____ APPROVAL DATE _____
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL IF ANY
APPROVED BY [Signature] TITLE Assistant Field Manager
DATE 10/22/2002
Mineral Resources

CONDITIONS OF APPROVAL ATTACHED

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: McElvain Oil & Gas Properties Inc.

Well Name & Number: TUCKER FEDERAL 8-12

API Number: 43-047-34729

Lease Number: UTU – 70239

Location: NWSW Sec. 08 TWN: 12S RNG: 24E

Agreement: N/A

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease that would entitle the applicant to conduct operations thereon.

Submit an electronic copy of all logs run on this well in LAS format. This submission will replace the requirement for submittal of paper logs to the BLM

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to this office prior to setting the next casing string or requesting plugging orders. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **3M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint. Surface casing setting depths are based on ground level elevations only.

As a minimum, the usable water shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Green River Formation water zone, identified at 598 ft. If Gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor proof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery. All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries and tested for meter accuracy at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration reports will be submitted to the Vernal Field Office. All meter measurement facilities will conform to Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

The pit shall be lined with plastic. Felt will not be required unless rocks are encountered.

The seed mix for this location shall be:

Fourwing saltbush	<i>Atriplex canescens</i>	3 lbs./acre
Indian Ricegrass	<i>Oryzopsis hymenoides</i>	3 lbs./acre
Globemallow (scarlet or munroe)	<i>Sphaeralcea coccinea or munroana</i>	1 lbs./acre
Needle and Threadgrass	<i>Stipa comata</i>	5 lbs./acre

All poundages are in pure live seed.

Reseeding may be required if first seeding is not successful.

No ROW shall be required for the pipeline, since both leases affected by the pipeline belong to McElvain.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: McElvain Oil & Gas Properties, Inc. Operator Account Number: N 2100
 Address: 1050 17th St., Ste 1800
city Denver
state CO zip 80265 Phone Number: (303) 893-0933

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304734439	Hanging Rock Federal 12-8	SENE	12	12S	23E	Utah
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
B A	99999	11889	10/27/2002	3-11-03		
Comments: CONFIDENTIAL						

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304734729	Tucker Federal 8-12	NWSW	8	12S	24E	Utah
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	13740	11/5/2002	3-11-03		
Comments: CONFIDENTIAL						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

John Steuble

Name: John Steuble

Signature

Engineer

Title

3/10/2003

Date

(5/2000)

RECEIVED**MAR 11 2003**

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
OIL AND GAS PROGRAM

PHONE CONVERSATION DOCUMENTATION FORM

☐ Copy? ☐

Conversation Pertains to:

☒ WELL TUCKER FED 8-12☐ OTHER

Section 8 Township 12S Range 24E

API Number 4304734729

Topic of Conversation: THIS WELL HAS BEEN PRODUCING SINCE JAN 2003 - NO WCR RECEIVED - PLEASE SEND

Date of Phone Call: 9/17/2003

Time: 8:10 am

DOGM Employee (name): CAROL DANIELS

☐ Initiated Call? ☒

Spoke with:

Name: DEBBIE POWELL

☐ Initiated Call? ☐

Of (company/organization): MCELVAIN OIL & GAS Phone: (303) 893-0933

Highlights of Conversation:

THIS WELL HAS BEEN PRODUCING SINCE JANUARY 2003 AND NO WELL COMPLETION OR RECOMPLETION REPORT AND LOG (FORM 8) HAS BEEN RECEIVED BY US. A WCR IS TO BE SENT IN WITHIN 30 DAYS AFTER THE COMPLETION OF THE WELL.

DEBBIE SAID SHE WOULD GET A COPY OF THE WCR AND SEND IN.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2004

012

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry Other
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____

2. Name of Operator

McElvain Oil & Gas Properties, Inc.

3. Address

1050 17th Street #1800 Denver, CO 80265

3a. Phone No. (include area code)

303-893-0933

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface **2346' FSL & 778' FWL Sec. 8 T12S R24E SLB&M**At top prod. interval reported below **Same**At total depth **Same**

14. Date Spudded

10/31/02

15. Date T.D. Reached

11/08/02

16. Date Completed

☐ D & A ☒ Ready to Prod.
1/14/0318. Total Depth: MD **4224'**
TVD **4224'**19. Plug Back T.D.: MD **4152'**
TVD **4152'**20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

CNL/TLD/GR/AI**CBL/GR/CLL - Rec 1-23-04**22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/4	9 5/8" H-40	32.5	0	549	-----	230 sx Type V	48	Surface(CIR)	None
7 7/8	4 1/2" I-80	11.6	0	4196	2805	510 sx AG300	194	Surface(CIR)	None

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8	3761'							

25. Producing Intervals

Formation	Top	Bottom	Perforation Interval	Size	No. Holes	Perf. Status
A) Wasatch	2565	4021	3754-3759	.45"	20	Producing
B) Wasatch	2565	4021	3226-3236	.45"	40	Squeezed
C) Wasatch	2565	4021	3210-3214	.45"	16	Producing
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
3226-3236'	Squeezed with 50 sx AG300

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
1/24/03	1/12/03	2	→	0	92	0	—	NA	Flowing
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
16/64	SI 760	790	→	0	1100	0	—	Producing	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

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OCT 16 2003

DIV. OF OIL, GAS & MINING

3b. Production - Interval C

ate First reduced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity, Con. API	Gas Gravity	Production Method
			→						
hole size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
			→						

3c. Production - Interval D

ate First reduced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity, Con. API	Gas Gravity	Production Method
			→						
hole size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
			→						

1. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

2. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

3. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				Uteland Butte	2416
				Wasatch	2565
				Mesaverde	4021

2. Additional remarks (Include plugging procedure):

3. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd) 2. Geologic Report 3. DST Report 4. Directional Survey
 5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other:

4. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) John D. Steuble

Title Engineering Manager

Signature

John D. Steuble

Date 5/28/2003

the 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

PERC**DIRECTIONAL REPORT**

WELLNAME: TUCKER FEDERAL 8-12
 FIELD: HANGING ROCK
 AFE NO.:

WELL ID NO.: MCELVAIN O&G
 API NO.: PROP # UTU 70239

SURVEY TYPE : TELEMD : 658

ANGLE :

AZIMUTH :

TVD :

N/S :

EW :

VS :

TARGET :

MEASURED DEPTH	INCLINATION ANGLE	AZIMUTH ANGLE	TVD	+NORTH -SOUTH	+EAST -WEST	VERTICAL SECTION	DOGLEG SEVERITY
658							
1,108	0.50						
1,625	0.50						
2,118	0.50						
2,607	1.00						
2,850	2.50						
3,097	2.00						
3,341	1.50						
3,586	1.00						
4,043	0.75						

CONFIDENTIAL

NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
 - Form 8, Well Completion or Recompletion Report and Log
 - A copy of electric and radioactivity logs, if run
 - A copy of drillstem test reports,
 - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
 - A copy of core analyses, and lithologic logs or sample descriptions if compiled
 - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: MCELVAIN OIL & GAS

Today's Date: 10/07/2003

Well:	API Number:	Drilling Commenced:
HANGING ROCK FED 12-8 T12S R23E SEC 12	434734439	10/27/2002
TUCKER FED 8-12 T12S R24E SEC 08	4304734729	11/05/2002

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: Well File
Compliance File

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
MAR 04 2005

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

013

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter GAS & MINING abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

McElvain Oil and Gas Properties, Inc.

3a. Address

1050 17th Street, Suite 1800 Denver, Colorado 80265

3b. Phone No. (include area code)

303.893.0933

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2346' FSL & 778' FWL (NWSW) Sec. 8, T12S-R24E SLB&M

5. Lease Serial No.

UTU-70239

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Tucker Federal #8-12

9. API Well No.

43-047-34729

10. Field and Pool, or Exploratory Area

Oil Springs

11. County or Parish, State

Uintah County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="radio"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="radio"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="radio"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Install Central
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Compression for 5 wells on
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	2 separate Federal Leases

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

McElvain Oil & Gas requests permission to install a gas compressor and gas meter on an existing wellsite pad in order to provide for centralized compression for 5 wells. 4 of the 5 wells are situated on Federal Lease #UTU-66426. These 4 wells include the Hanging Rock Federal #7-2, 7-6, 7-8 & 7-10 wells. The fifth well to be compressed is the Tucker Federal #8-12 well, which is situated on Federal Lease #UTU-70239. McElvain is requesting permission to install the new gas compressor and gas meter on the Hanging Rock Federal #7-6 location. No enlargement of the existing #7-6 wellsite battery pad will be required, although additional piping will be required within the existing boundaries of this pad in order to connect the new compressor and meter to the existing separator and gas pipeline. Only the #7-6 well pad will incur new construction. No new construction will be required on any of the 4 remaining well pads. The new "sales" meter will be installed downstream of the proposed compressor and 100% of the gross measured gas sales through this new "sales" meter will be proportionately credited to each of the 5 individual wells by utilizing the existing individual well meters as "allocation" meters. McElvain has hired a permitting specialist in order to comply with air quality permitting regulations. A spreadsheet listing pertinent individual well data, and a map are attached to facilitate identification of the well spots and pipe line layout.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

E. Reed Fischer

Title **Operations Engineer**

COPY SENT TO OPERATOR

Date: **3-9-05**

Initials: **ERF**

Signature

Date **March 1, 2005**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

**Accepted by the
Utah Division of
Oil, Gas and Mining**

Date

**Federal Approval Of This
Action Is Necessary**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

McELVAIN OIL & GAS PROPERTIES, INC.

1050 17TH STREET

SUITE 1800

DENVER, COLORADO 80265

E. REED FISCHER
OPERATIONS ENGINEER
E-MAIL: REEDF@MCELVAIN.COM

TELEPHONE 303/893-0933 EXT. 330
FAX 303/893-0914

March 1, 2005

Central Compression Notes for 5 Wells in Hanging Rock Area
Hanging Rock Federal #7-2, 7-6, 7-8, 7-10 and Tucker Federal #8-12
Federal Lease Nos: UTU-66426 & UTU-70239
Sections 7 & 8, T12S-R24E
Uintah County, Utah

Please refer to the attached spreadsheet for more detail on the 5 gas wells we wish to compress through a centralized compressor to be installed on the Hanging Rock Federal #7-6 location.

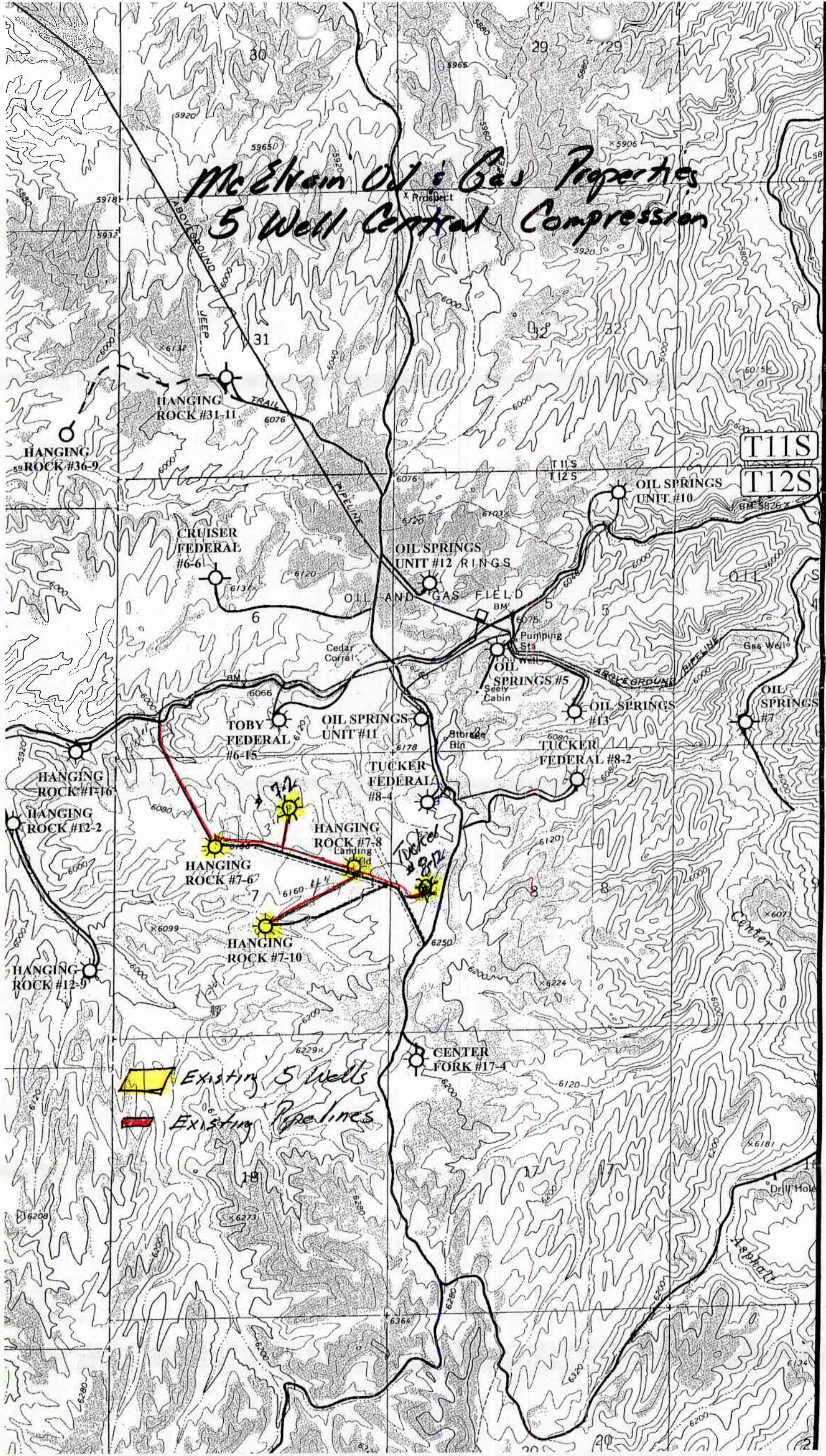
- Currently, the wells produce an aggregate 360 MCFD (4 plunger lift & 1 rod pump).
- Following central compression of the 5 wells, aggregate daily production rate estimated at approximately 550 – 600 MCFGD against a 40 to 50 psi suction pressure.
- Two of the wells currently utilize wellhead compression (#7-6 & #7-8 wells).
- Anticipated maximum discharge pressure is estimated at 300 psi, average discharge pressure of 230 psi, lowest anticipated discharge pressure of 180 psi.
- All gas will be run through a conventional three-phase production unit prior to compression, with compression discharge into a de-hy. This production unit and de-hy combo is currently utilized on the #7-6 location.
- A central delivery point meter will be required down-stream of the compressor, and all existing on-site recorders will be utilized as allocation meters.
- BLM approval is required as the Tucker well in section 8 is on a separate lease (UTU-70239) from the remaining 4 wells in section 7 (UTU-66426).
- Tom Mark, a specialist in air-quality permitting, has been contracted to provide consultation and, if necessary, prepare air-quality permits.
- The Hanover Company will likely supply the reciprocating compressor. It currently appears that the likely compressor will be an Ariel JGQ – 2 stage, 100 horsepower compressor powered by a CAT 3306TA engine. When a final decision is made pertinent information on equipment type, size, emissions, etc., will be forwarded.
- Depending on the success of this project, additional well connects to this compressor may be a possibility. Currently there are three existing wells in Section 8, and a 4th well is being permitted in the SENW of this section. There is the possibility that the current 5 well compressor set-up might become an 8 well set-up. Pre-approval will be obtained from the regulatory authorities prior to any alteration to the existing plan.
- Ivan Sadlier 435.828.0284 or 435.828.0282 manages our field operations in Utah and is the contact for any field operations questions.

I can be reached at 303.893.0933 extension 330 (office) or 303.981.2921 (cell). Thanks.

Reed Fischer
Operations Engineer

McElvain Oil & Gas Properties

5 Well Central Compression



McElvain Oil and Gas - Cental Compression Wells

[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
UTU-70239

6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

43-047-34729

3a. Address
1050 17th Street, Suite 1800, Denver, CO 80265

3b. Phone No. (include area code)
(303) 893-0933

7. If Unit of CA/Agreement, Name and/or No.
N/A

8. Well Name and No.
Hanging Rock Field Central Compression-see well list

9. API Well No.
Refer to attachment for list of wells

10. Field and Pool or Exploratory Area
Oil Springs

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Refer to attachment for list of wells

12S 24E 8

11. Country or Parish, State
Uintah County, Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Install pipeline to
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	add 3 wells to existing
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	central compression

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

McElvain Oil & Gas Properties, Inc. would like to expand the existing central compression facilities in our Hanging Rock Field by laying approximately \pm 3,043 feet of 4" steel pipe line in order to connect 3 additional wells to our current 5 well central compression system. No additional surface disturbance is necessary as the central delivery point meter and compressor are already in place. The 3 additional wells, situated on federal lease # UTU-70239, consist of the Tucker Federal #8-2, Tucker Federal #8-4, and Tucker Federal #8-6 wells. The existing central compression system is currently comprised of the Tucker Federal # 8-12 well, also on federal lease # UTU-70239, and 4 wells on federal lease # UTU-66426 including the Hanging Rock Federal # 7-2, 7-6, 7-8 and 7-10 wells. The new pipe line would lie on cap rock, above ground and adjoin the existing road. A map is attached indicating well spots and the pertinent proposed and existing pipe lines. Also attached is a detailed letter explaining the proposed project and a list wells that will make up the central compression system.

COPY SENT TO OPERATOR

Date: 5/31/07
Initials: CHO

RECEIVED

MAY 24 2007

14. I hereby certify that the foregoing is true and correct.
Name (Printed/Typed)

Barbara Martin

Title Engineer

DIV. OF OIL, GAS & MINING

Signature

Barbara Martin

Date 05/11/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Accepted by the
Utah Division of
Oil, Gas and Mining
Office

Federal Approval Of This
Date Action Is Necessary

Date

By:

5/22/07

McELVAIN OIL & GAS PROPERTIES, INC.

1050 17TH STREET

SUITE 1800

DENVER, COLORADO 80265

BARBARA MARTIN
ENGINEER

E-MAIL: BARBARAM@MCELVAIN.COM

TELEPHONE 303/893-0933 EXT. 345
FAX 303/893-0914

May 11, 2007

McElvain Oil & Gas Properties, Inc. would like to expand our Hanging Rock Field central compression system. Expansion of the system can be accomplished with no additional surface disturbance by laying \pm 3,043 feet of 4" welded, steel pipe line above ground and along an existing road right-of-way. This pipe line is necessary to connect an additional 3 producing wells (Tucker Federal # 8-2, Tucker Federal # 8-4 and Tucker Federal # 8-6) to our existing 5 well central compression system currently servicing our Hanging Rock Federal # 7-2, Hanging Rock Federal # 7-6, Hanging Rock Federal # 7-8, Hanging Rock Federal # 7-10 and the Tucker Federal # 8-12 wells. Please see the attached plat. Expansion of this system will enhance the efficiency of the existing central compressor, spread operating costs from 5 to 8 wells, lower abandonment pressures and increase ultimate gas reserves by providing for greater draw down and a lower productive economic limit. An additional benefit of this proposed expansion would be the release an exiting individual wellhead compressor and the subsequent reduction in area gas emissions by an estimated 6 tons/year.

Miscellaneous notes on this proposed project are as follows

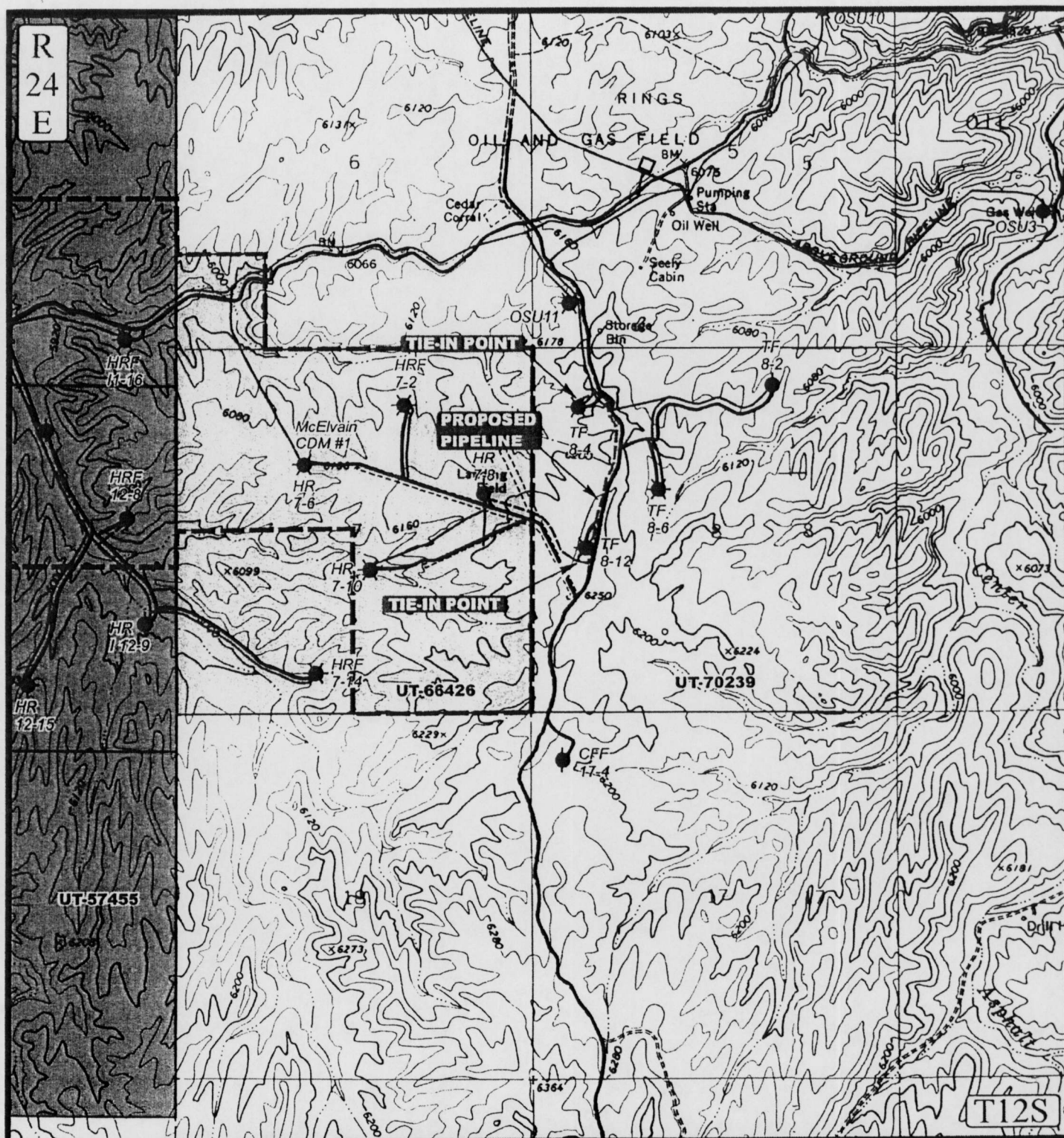
- The required \pm 3,043 feet of new pipe line will not cross any lease lines and will run between the Tucker # 8-4 and Tucker # 8-12 wells in Section 8, T12S-R24E.
- Installation is estimated to take 2 days and can be conducted from the existing road right-of-way. The pipe line will lie above ground and on cap rock. The construction of this line will entail no additional surface disturbance. The pipe line route was surveyed and an on-site review conducted by McElvain's Ivan Sadlier and the BLM's Amy Torres and Holly Villa.
- The existing central compression facility is situated on our Hanging Rock # 7-6 well-pad which is located within the boundaries of our Hanging Rock Unit. The facility includes a 100 horsepower gas compressor and a central delivery point (CDP) meter. The existing facility can easily handle the estimated 600 MCFGD of additional, anticipated gas throughput. No facility upgrade is required.
- Gas sales volumes and associated sales revenues attributable to each of the 8 wells behind this CDP meter will be determined and/or allocated as follows:
 - Non-Unit wells in Section 8 (Tucker 8-2, 8-4, 8-6 and 8-12) will be paid on a "lease basis". The reported gas volume and the associated revenue settlement for each non-unit well will be determined by direct measurement from each non-unit well's individual well-site meter. The sum of these 4 individual, non-unit well-site measured meter volumes will be defined as the "aggregate lease basis" volume.
 - Unit wells in Section 7 (Hanging Rock 7-2, 7-6, 7-8 and 7-10) will be paid according to their allocated share of the "Unit basis" volume. "Unit basis" volume is defined as "CDP meter volume minus aggregate lease basis volume". Each unit well will utilize its existing well-site meter as an "allocation meter" to determine its proportionate share of the "Unit basis" volume.
- Royalty ownership is identical for all 8 wells. The U.S. Minerals Management Service is the only royalty owner with a 12.5% royalty interest in all 8 wells.
- The wellhead compressor currently operating on the Tucker # 8-4 well-site will be released following expansion of the current system. Removal of this individual wellhead compressor will reduce area gas emissions by more than 6 tons/year.

Sincerely,

Barbara Martin

McElvain Oil and Gas Properties, Inc.
Proposed Well Connects to Hanging Rock Central Compression System

<u>Lease Number</u>	<u>Well Name</u>	<u>API #</u>	<u>Well Location</u>	<u>Station/Meter Number</u>	<u>Remarks</u>
	McElvain CDM #1	N/A	SENW Sec. 7, T12S-R24E	70214	Existing Sales Meter for Hanging Rock Central Compression System
UTU-66426	Hanging Rock Federal # 7 - 2	43-047-35084	NWNE Sec. 7, T12S-R24E	70127	Existing Hanging Rock Central Compression System Well
UTU-66426	Hanging Rock Federal # 7 - 6	43-047-32751	SENW Sec. 7, T12S-R24E	50290	Existing Hanging Rock Central Compression System Well
UTU-66426	Hanging Rock Federal # 7 - 8	43-047-32937	SENE Sec. 7, T12S-R24E	10178	Existing Hanging Rock Central Compression System Well
UTU-66426	Hanging Rock Federal # 7 - 10	43-047-33100	NWSE Sec. 7, T12S-R24E	50284	Existing Hanging Rock Central Compression System Well
UTU-70239	Tucker Federal # 8 - 12	43-047-34729	NWSW Sec. 8, T12S-R24E	70092	Existing Hanging Rock Central Compression System Well
UTU-70239	Tucker Federal # 8 - 2	43-047-32993	NWSW Sec. 8, T12S-R24E	50240	Proposed Addition to Hanging Rock Central Compression System
UTU-70239	Tucker Federal # 8 - 4	43-047-32872	NWSW Sec. 8, T12S-R24E	10027	Proposed Addition to Hanging Rock Central Compression System
UTU-70239	Tucker Federal # 8 - 6	43-047-36837	NWSW Sec. 8, T12S-R24E	70368	Proposed Addition to Hanging Rock Central Compression System



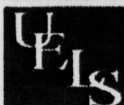
APPROXIMATE TOTAL PIPELINE DISTANCE = 3,043' +/-

LEGEND:

- EXISTING PIPELINE
- - - PROPOSED PIPELINE
- PROPOSED ACCESS
- HANGING ROCK UNIT LINE
- UT-57455
- UT-66426
- UT-70239



McElvain Oil & Gas Properties, Inc.
Hanging Rock Central Compression System
SECTION 8, T12S, R24E, S.L.B.&M.



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

8 17 06
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 5-11-07

D
TOPO

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING

1. CDW

Change of Operator (Well Sold)

X - Operator Name Change

The operator of the well(s) listed below has changed, effective:

8/11/2011

FROM: (Old Operator): N2100-McElvain Oil & Gas Properties, Inc. 1050 17th Street, Suite 2500 Denver, CO 80265 Phone: 1 (303) 893-0933				TO: (New Operator): N3795-McElvain Energy, Inc. 1050 17th Street, Suite 2500 Denver, CO 80265 Phone: 1 (303) 893-0933			
CA No.				Unit:			
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE
SEE ATTACHED LIST - 13 Wells							

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/30/2011
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/30/2011
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/30/2011
- 4a. Is the new operator registered in the State of Utah: _____ Business Number: 8078926-0143
- 5a. (R649-9-2)Waste Management Plan has been received on: _____
- 5b. Inspections of LA PA state/fee well sites complete on: n/a
- 5c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 8/31/2011
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 8/31/2011
- Bond information entered in RBDMS on: n/a
- Fee/State wells attached to bond in RBDMS on: n/a
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 8/30/2011

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: COB000010
- Indian well(s) covered by Bond Number: n/a
- 3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number n/a
- 3b. The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR:
McElvain Oil & Gas Properties, Inc. *N2100*

3. ADDRESS OF OPERATOR:
1050 17th St, Suite 2500 CITY Denver STATE CO ZIP 80265

PHONE NUMBER:
(303) 893-0933

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☐ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☒ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☐ OTHER: _____

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

McElvain Oil & Gas Properties, Inc. has changed it's name to McElvain Energy, Inc. Effective August 11, 2011.
This is ONLY a name change.

N3795

Our BLM Bond # is COB - 000010

Attached is a well list.

NAME (PLEASE PRINT) Deborah Powell

TITLE Eng Tech Manager

SIGNATURE *Deborah Powell*

DATE 8/29/2011

(This space for State use only)

APPROVED *8/31/2011*

Earlene Russell

Division of Oil, Gas and Mining

Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

AUG 30 2011

DIV. OF OIL, GAS & MINING

well_name	sec	twp	rng	api	entity	lease	well	stat	l_num
CENTER FORK F 17-4	17	120S	240E	4304732750	12038	Federal	GW	S	UTU-75206
TOBY FEDERAL F 6-15	06	120S	240E	4304732757	12037	Federal	GW	P	UTU-08424A
ROSEWOOD FED 28-8	28	110S	220E	4304732840	12442	Federal	GW	S	UTU-65355
HANGING ROCK FED I 1-4	01	120S	230E	4304732855	12389	Federal	GW	S	UTU-57455
TUCKER FEDERAL F 8-4	08	120S	240E	4304732872	12125	Federal	GW	P	UTU-70239
TUCKER FEDERAL F 8-2	08	120S	240E	4304732993	12386	Federal	GW	P	UTU-70239
TUCKER FED 8-12	08	120S	240E	4304734729	13740	Federal	GW	S	UTU-70239
HANGING ROCK FED 11-9	11	120S	230E	4304734730	14017	Federal	GW	P	UTU-57455
HANGING ROCK 1-8	01	120S	230E	4304736042	15514	Federal	GW	P	UTU-57455
TUCKER FED 8-6	08	120S	240E	4304736837	15513	Federal	GW	P	UTU-70239
TUCKER FED 8-10	08	120S	240E	4304739187	16399	Federal	GW	S	UTU-70239
HANGING ROCK FED 1-2	01	120S	230E	4304739430	16400	Federal	GW	S	UTU-57455
ATCHEE WASH 33-9	33	100S	230E	4304740631		Federal	OW	APD	UTU-73451

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING

CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

8/1/2014

FROM: (Old Operator):

McElvain Energy, Inc. N3795
 1050 17th Street, Suite 2500
 Denver, CO 80265
 303-893-0933

TO: (New Operator):

Onshore Royalties, LLC N4140
 P.O. Box 2326
 Victoria, TX 77902
 361-570-1600

CA No.

Unit:

Haning Rock

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
See Attached List								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/14/2014
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/14/2014
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/15/2014
- Is the new operator registered in the State of Utah: Business Number: 9116573-0161
- (R649-9-2) Waste Management Plan has been received on: N/A
- Inspections of LA PA state/fee well sites complete on: N/A
- Reports current for Production/Disposition & Sundries on: 8/15/2014
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM Not Yet BIA N/A
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: Not Yet
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 9/15/2014
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/15/2014
- Bond information entered in RBDMS on: N/A
- Fee/State wells attached to bond in RBDMS on: N/A
- Injection Projects to new operator in RBDMS on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: N/A
- Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000644
- Indian well(s) covered by Bond Number: N/A
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number N/A
- The **FORMER** operator has requested a release of liability from their bond on: N/A

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

McElvain Energy, Inc N3795 to Onshore Royalties, LLC. N4140
Effective 8/1/2014

Well Name	Section	TWN	RNG	API Number	Entity	Mineral Lease	Well Type	Well Status	Unit
HANGING ROCK FEDERAL 24-13	24	110S	230E	4304732603	11723	Federal	GW	P	HANGING ROCK
HANGING ROCK FEDERAL I 1-16	1	120S	230E	4304732679	11889	Federal	GW	P	HANGING ROCK
HANGING ROCK FEDERAL I 12-4	12	120S	230E	4304732748	11889	Federal	GW	P	HANGING ROCK
HANGING ROCK FEDERAL F 7-6	7	120S	240E	4304732751	11889	Federal	GW	P	HANGING ROCK
TOBY FEDERAL F 6-15	6	120S	240E	4304732757	12037	Federal	GW	P	
HANGING ROCK FEDERAL I 1-14	1	120S	230E	4304732871	11889	Federal	GW	P	HANGING ROCK
TUCKER FEDERAL F 8-4	8	120S	240E	4304732872	12125	Federal	GW	P	
HANGING ROCK I 11-8	11	120S	230E	4304732935	12306	Federal	GW	P	HANGING ROCK
HANGING ROCK F 7-10	7	120S	240E	4304733100	12400	Federal	GW	P	HANGING ROCK
HANGING ROCK FED 11-9	11	120S	230E	4304734730	14017	Federal	GW	P	
HANGING ROCK I-8	1	120S	230E	4304736042	15514	Federal	GW	P	
TUCKER FED 8-6	8	120S	240E	4304736837	15513	Federal	GW	P	
CENTER FORK F 17-4	17	120S	240E	4304732750	12038	Federal	GW	S	
ROSEWOOD FED 28-8	28	110S	220E	4304732840	12442	Federal	GW	S	
HANGING ROCK FED I 1-4	1	120S	230E	4304732855	12389	Federal	GW	S	
HANGING ROCK FED F 7-8	7	120S	240E	4304732937	12305	Federal	GW	S	HANGING ROCK
TUCKER FEDERAL F 8-2	8	120S	240E	4304732993	12386	Federal	GW	S	
TUCKER FED 8-12	8	120S	240E	4304734729	13740	Federal	GW	S	
HANGING ROCK FED 7-2	7	120S	240E	4304735084	14019	Federal	GW	S	HANGING ROCK
TUCKER FED 8-10	8	120S	240E	4304739187	16399	Federal	GW	S	
HANGING ROCK FED 1-2	1	120S	230E	4304739430	16400	Federal	GW	S	

RECEIVED

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AUG 14 2014

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: McElvain Energy, Inc. N3795		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1050 17th St, Suite 2500 CITY Denver STATE CO ZIP 80265		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY:		8. WELL NAME and NUMBER: Attached
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		9. API NUMBER:
		10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

McElvain Energy, Inc. current operator of the attached wells, has sold all wells on the attached list to:

Onshore Royalties, LLC
P.O. Box 2326
Victoria, TX 77902

N4140

Utah Operator # N4140
Effective 8/1/2014

McElvain Energy, Inc.



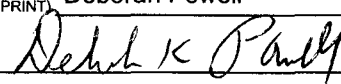
Steven W. Shefte
Vice President -COO

Onshore Royalties, LLC.



Michael Hahn
Operations Manager

BLM Bond: UTB000644

NAME (PLEASE PRINT) Deborah Powell	TITLE Eng Tech Manager
SIGNATURE 	DATE 8/13/2014

(This space for State use only)

APPROVED

SEP 15 2014

DIV. OIL GAS & MINING
BY: Rachel Medina

State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining

Change of Operator From McElvain Energy, LLC (N3795)
 To: Onshore Royalties, LLC (N4140)

Well Name	API	Legal	Status	Well Type	Utah ID	BLM ID
Center Fork F 17-4	43-047-32750	T12S R24E Sec 17 NWNW	S	GW	12038	UTU75206
Hanging Rock Fed 11-9	43-047-34730	T12S R23E Sec 11 NESE	P	GW	14017	UTU57455
Hanging Rock Fed 1-2	43-047-39430	T12S R23E Sec 1 NWNE	S	GW	16400	UTU57455
Hanging Rock Fed 1-8	43-047-36042	T12S R23E Sec 1 SENE	P	GW	15514	UTU57455
Hanging Rock Fed 7-2	43-047-35084	T12S R24E Sec 7 NWNE	S	GW	14019	UTU73518B
Hanging Rock Fed I 1-14	43-047-32871	T12S R23E Sec 1 SESW	P	GW	11889	UTU73518B
Hanging Rock Fed 24-13	43-047-32603	T11S R23E Sec 24 SWSW	P	GW	11723	UTU73518A
Hanging Rock Fed 7-6	43-047-32751	T12S R24E Sec 7 SENW	P	GW	11889	UTU73518B
Hanging Rock Fed 7-8	43-047-32937	T12S R24E Sec 7 SENE	S	GW	12305	UTU73518B
Hanging Rock Fed F 7-10	43-047-33100	T12S R24E Sec 7 NWSE	P	GW	12400	UTU73518B
Hanging Rock Fed I 1-16	43-047-32679	T12S R23E Sec 1 SESE	P	GW	11889	UTU73518B
Hanging Rock Fed I 11-8	43-047-32935	T12S R23E Sec 11 SENE	P	GW	12306	UTU73518B
Hanging Rock Fed I 1-4	43-047-32855	T12S R23E Sec 1 NWNW	S	GW	12389	UTU57455
Hanging Rock Fed I-12-4	43-047-32748	T12S R23E Sec 12 NWNW	P	GW	11889	UTU73518B
Rosewood Fed 28-8	43-047-32840	T11S R22E Sec 28 SENE	S	GW	12442	UTU65355
Toby Federal F 6-15	43-047-32757	T12S R24E Sec 6 SWSE	P	GW	12037	UTU08424A
Tucker Fed 8-10	43-047-39187	T12S R24E Sec 8 NWSE	S	GW	16399	UTU70239
Tucker Fed 8-12	43-047-34729	T12S R24E Sec 8 NWSW	S	GW	13740	UTU70239
Tucker Fed 8-6	43-047-36837	T12S R24E Sec 8 SENW	P	GW	15513	UTU70239
Tucker Fed F 8-2	43-047-32993	T12S R24E Sec 8 NWNE	P	GW	12386	UTU70239
Tucker Fed F 8-4	43-047-32872	T12S R24E Sec 8 NWNW	P	GW	12125	UTU70239